

“360 DEGREE PERFORMANCE APPRAISAL”

An outlook

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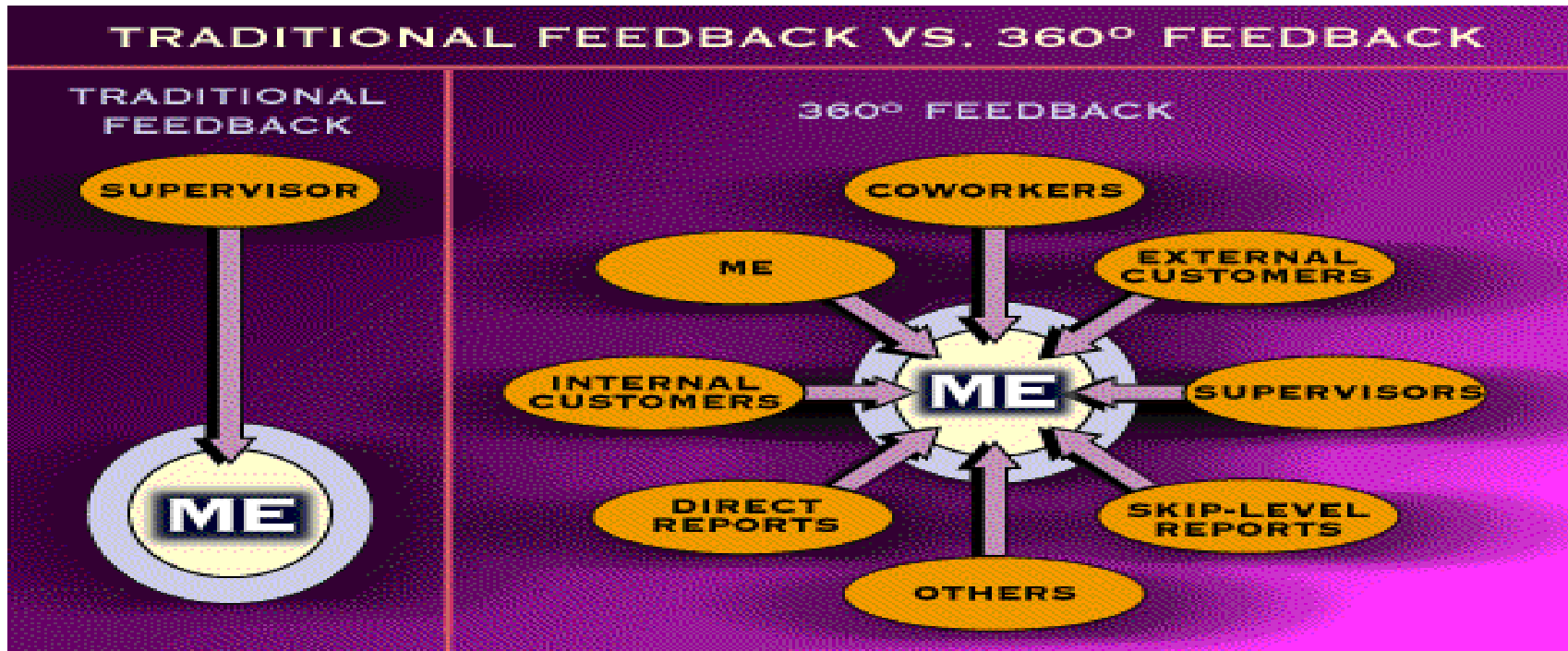
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however, there is some disagreement regarding the exact genesis of the technique.

Background

- *Despite these disagreements, one point that most scholars can agree on is 360-degree performance appraisal has historical roots within a military context.*
- *During the 1950s and 1960s this trend continued in the United States within the Military service academies.*
- *At the United States Naval Academy at Annapolis, the midshipmen used a multi-source process called “peer grease” to evaluate the leadership skills of their classmates.*
- *In the corporate world during the 1960s and 1970s, organizations like Bank of America, United Airlines, Bell Labs, Disney, Federal Express, Nestle, and RCA experimented with multi-source feedback in a variety of measurement situations.*

The Concept



The Process



The Appraisers

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Superiors



It's Contribution:

- The 1st line supervisor is often in the best position to effectively carry out the full cycle of performance management.

- The supervisor may also have the broadest perspective on the work requirements and be able to take into account shifts in those requirements.

Cautions to be addressed:

- Superiors should be able to observe and measure all facets of the work to make a fair evaluation.
- Supervisors should be trained. They should be capable of coaching and developing employees as well as planning and evaluating their performance.

Self

- Self-ratings are particularly useful if the entire cycle of performance management involves the employee in a self-assessment.
- The developmental focus of self-assessment is a key factor.
- Approximately half of the Federal employees in a large survey felt that self-ratings would contribute “to a great or very great extent” to fair and well-rounded PA.
- Research shows low correlations between self-ratings and all other sources of ratings, particularly supervisor ratings. The self-ratings tend to be consistently higher. This discrepancy can lead to defensiveness and alienation if supervisors do not use good feedback skills.
- Sometimes self-ratings can be lower than others’. In such situations, employees tend to be self-demeaning and may feel intimidated and “put on the spot.”
- Self-ratings should focus on the appraisal of performance elements, not on the summary level determination. A range of rating sources including the self

Peers

It's Contribution:

-  *Employees report resentment when they believe that their extra efforts are required to “make the boss look good” as opposed to meeting the unit’s goals.*
-  *Peer ratings have been an excellent predictors of future performance and “manner of performance”.*
-  *The use of multiple raters in the peer dimension of 360-degree assessment programs tends to average out the possible biases of any one member of the group of raters.*
-  *The increased use of self-directed teams makes the contribution of peer evaluations the central input to the formal appraisal because by definition the supervisor is not directly involved in the day-to-day*

Peers (continued)

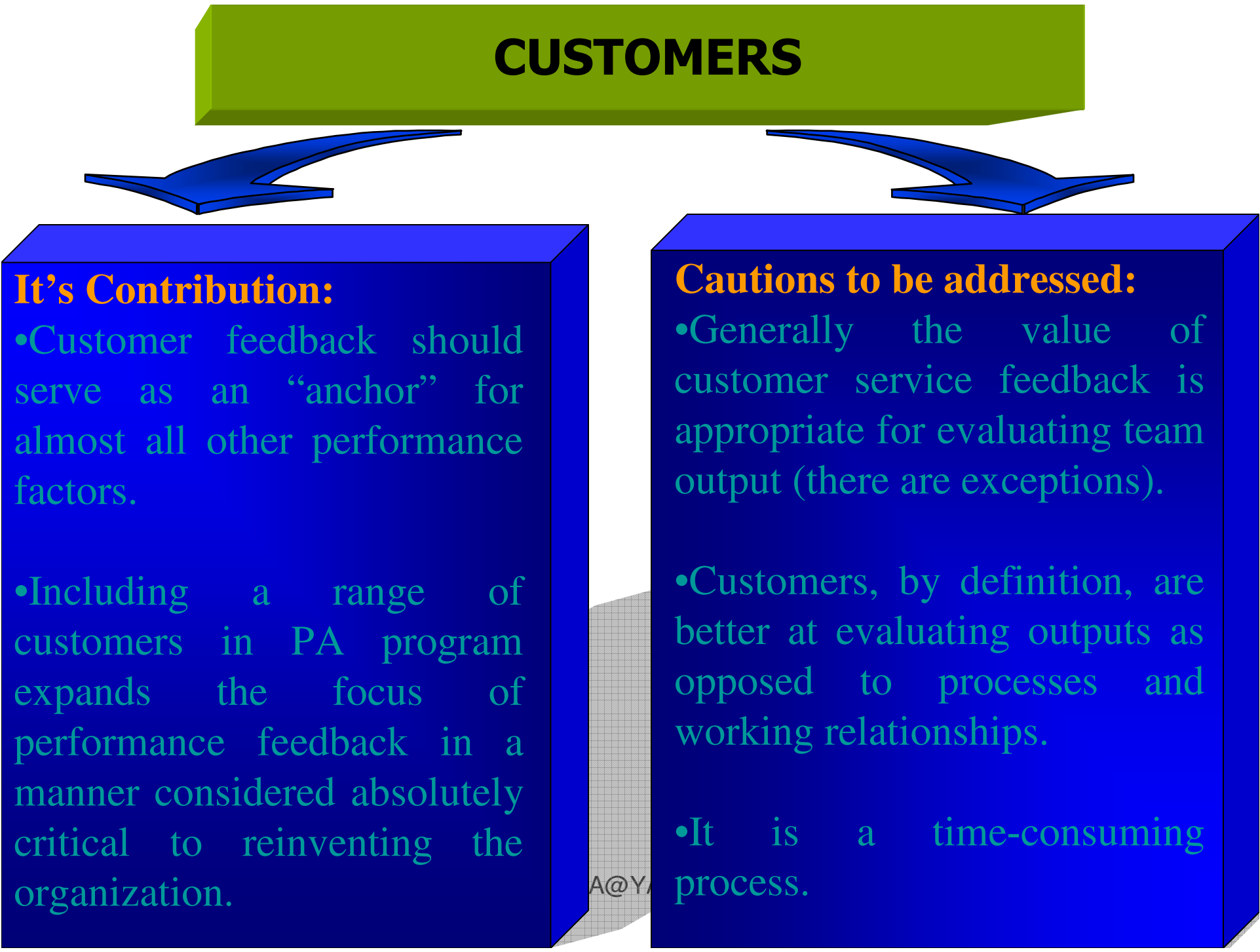
Cautions to be addressed:

-  *Peer evaluations are appropriate for developmental purposes, but to emphasize them for pay, promotion, or job retention purposes may not be prudent always.*
-  *Generally, the identities of the raters should be kept confidential to assure honest feedback. But, in close-knit teams that have matured to a point where open communication is part of the culture, the developmental potential of the feedback is enhanced when the evaluator is identified and can perform a coaching or continuing feedback role.*
-  *It is essential that the peer evaluators be very familiar with the team member's tasks and responsibilities.*
-  *The use of peer evaluations can be very time consuming. When used in PA the data would have to be collected several times a year in*

Subordinates

- Ⓢ A formalized subordinate feedback program will give supervisors a more comprehensive picture of employee issues and needs.
- Ⓢ Employees feel they have a greater voice in organizational decision-making.
- Ⓢ The feedback from subordinates is particularly effective in evaluating the supervisor's interpersonal skills. However, it may not be as appropriate or valid for evaluating task-oriented skills.
- Ⓢ Combining subordinate ratings like peer ratings can
- Ⓢ The need for anonymity is essential when using subordinate ratings as this will ensure honest feedback.
- Ⓢ Supervisors may feel threatened and perceive that their authority has been undermined when they must take into consideration that their subordinates will be formally evaluating them.
- Ⓢ Subordinate feedback is most beneficial when used for developmental purposes. But precautions should be taken to ensure that subordinates are appraising elements of which they have knowledge.
- Ⓢ Only subordinates with a sufficient length of assignment under the manager should be included in the pool of assessors. Subordinates currently involved in a disciplinary action or a formal performance improvement period should be excluded

CUSTOMERS



It's Contribution:

- Customer feedback should serve as an “anchor” for almost all other performance factors.
- Including a range of customers in PA program expands the focus of performance feedback in a manner considered absolutely critical to reinventing the organization.

Cautions to be addressed:

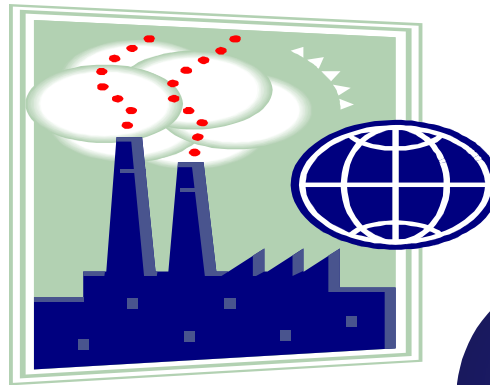
- Generally the value of customer service feedback is appropriate for evaluating team output (there are exceptions).
- Customers, by definition, are better at evaluating outputs as opposed to processes and working relationships.
- It is a time-consuming process.

Companies using 360 degree performance appraisals

Bell Atlantic (1980)

**Belcore
International
Ltd(1998)**

IBM (1980)



**Johnson &
Johnson
Ltd(1980s)**

Xerox (1980s)

**Wipro
Technologies Ltd
(Dec17th 2002)**

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Advantages

To the individual:

- ✓ Helps individuals to understand how others perceive them.
- ✓ Uncover blind spots
- ✓ Quantifiable data on soft skills

To the team:

- ✓ Increases communication
- ✓ Higher levels of trust
- ✓ Better team environment
- ✓ Supports teamwork
- ✓ Increased team effectiveness

To the organization:

- ✓ Reinforced corporate culture by linking survey items to organizational leadership competencies and company values
- ✓ Better career development for employees
- ✓ Promote from within
- ✓ Improves customer service by involving them
- ✓ Conduct relevant training

Problems

- *It is the most costly and time consuming type of appraisal.*
- *These programs tend to be somewhat shocking to managers at first. Amoco's Bill Clover described this as the "SARAH reaction: Shock, Anger, Rejection, Acceptance, Help".*
- *The problems may arise with subordinate assessments where employees desire to "get the boss" or may alternatively "scratch the back" of a manager for expected future favors.*
- *The organization implementing this type of performance appraisal must clearly define the mission and the scope of*

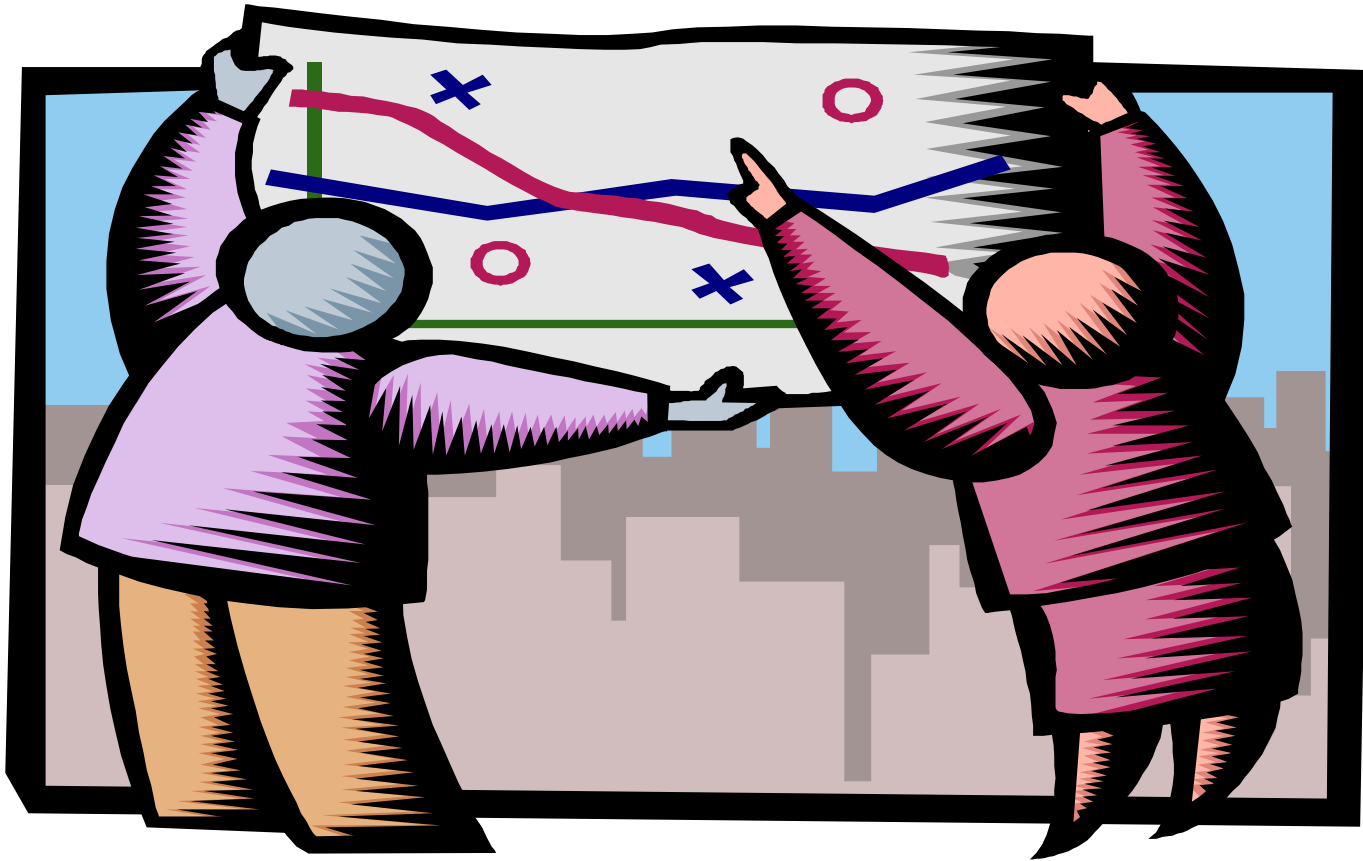
Problems (continued)

- *One of the reason for which 360 degree appraisal system might fail is because the organizations attempt to assimilate the 360-degree method within a traditional survey research scheme. In traditional survey research, investigators attempt to maximize data collection with as many items/questions as possible and with large sample sizes. In the case of 360-degree appraisal, creating measurement instruments with many items will substantially increase non-response errors. In addition, large sample sizes are not typically possible considering that perhaps 4 or 5 sources will rate an employee's performance. As such, statistical procedures that rely on large sample sizes in order to ensure statistical validity might not be appropriate.*
- *Organizations must consider other issues like safeguarding the process from unintentional respondent rating errors.*

Conclusion



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